

MedPAC's survey of access to physician services

ISSUE: Has the recent reduction in Medicare's payment rates for physician services affected access to care for the program's beneficiaries?

KEY POINTS: In January 2002, Medicare's yearly payment update for physician services was a negative 5.4 percent. This decrease more than offset the relatively large, positive updates for 2000 and 2001, raising concerns about Medicare beneficiaries' access to care.

To assess beneficiaries' access, MedPAC is sponsoring a survey of 800 physicians to collect data on their acceptance of new Medicare patients and other indicators. Fieldwork started in April of this year, which gave physicians time to become aware of the change in payment rates before they responded to the survey.

Preliminary results of the survey, based on the first 700 responses, show a change in access, but it is unclear how much of the change is due to the payment reduction. Since 1999, the percentage of physicians saying they accept all new fee-for-service Medicare patients has declined by 7.2 percentage points, from 76.4 percent to 69.2 percent. Over the same period, the percentage of physicians accepting only some new fee-for-service Medicare patients has risen by 6.2 percentage points.

The survey clearly shows that physicians are concerned about payment rates. About 77 percent of respondents said they were concerned about the level of reimbursement from fee-for-service Medicare. Of these, 15 percent said this concern had led them to limit their acceptance of new Medicare patients. But physicians are also concerned about the billing paperwork and administration required by traditional Medicare. About 75 percent said they were concerned about this "hassle factor," and 16 percent of these physicians said they had limited their acceptance of new Medicare patients because of this factor.

The results say more about the timing of the payment reduction. According to the survey, physicians are limiting their caseloads of all types of patients, except for patients covered by private fee-for-service or preferred provider organization plans. Thus, the payment reduction may have come at a time when physicians were already changing their behavior in ways that could limit beneficiaries' access to care.

ACTION: At this meeting, Julie Schoenman, with Project HOPE, will present the preliminary results. MedPAC has contracted with Project HOPE for the fieldwork and analysis of the survey results. Commissioner comments will help the contractor revise the draft report that is attached and to submit a final report in November. Staff will then use results of the survey in assessing the adequacy of payments for physician services for the March 2003 report.

STAFF CONTACT: Kevin Hayes (202-220-3716)